



RICHARD J. CODEY
Acting Governor

New Jersey Office of the Attorney General

Division of Consumer Affairs
New Jersey State Board of Optometrists
124 Halsey Street, 6th Floor, Newark, NJ 07102



PETER C. HARVEY
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Director

July 7, 2005

Mailing Address:

P.O. Box 45012
Newark, NJ 07101
(973) 504-6440

Via Certified Mail

Arnold Shapiro, O.D.
405 Murray Blvd.
Summerville, SC 29483

Re: Offer of Settlement In Lieu of Filing a Formal Disciplinary Complaint

Dear Dr. Shapiro:

This letter is to advise you that the New Jersey State Board of Optometrists (the "Board") has had an opportunity to review information concerning the consumer complaint of Julie Paczolt. The Board reviewed the following information: the complaint of Julie Paczolt, Dr. Arnold Shapiro's response to Julie Paczolt's complaint, the transcript for the Board's inquiry, and the full patient record of Julie Paczolt. It appears Ms. Paczolt presented at Allied Vision Services, located at 159 Van Zile Road, Brick, NJ 08724, on April 6, 2000 for her yearly contact lens examination. She alleges that there was inappropriate billing.

On November 20, 2002, you appeared pro se at an inquiry before the Board. You testified that you examined the complainant's eyes and you diagnosed her as having giant papillary conjunctivitis. Ms. Paczolt was billed \$269.00 for the contact lens examination, the fitting, and a supply of disposable daily contact lenses. Ms. Paczolt's insurance company, Vision Service Plan (VSP), covered \$119.00 of the bill, requiring Ms. Paczolt to pay \$150.00 as the balance. At the conclusion of her appointment, Ms. Paczolt paid your office one payment of \$150.00 and an additional payment of \$125.00 for a comprehensive exam, coded as 99215. When asked by the Board if you can explain the elements of a 99215 exam, you responded that you could not. You testified that the additional \$125.00 fee was to write a prescription and assign a follow up visit and that no additional tests were performed. The total amount for the visit was \$275.00.

Upon review of all available, and relevant information, the Board has preliminarily found that Julie Paczolt was improperly billed the additional \$125.00 as having received a comprehensive exam. The Board has concluded, based on the record, that Ms. Paczolt was given a minimum eye examination, not a comprehensive examination and that fee appears inappropriate.

Upon review of all available information, the Board has preliminarily found that probable cause exists to support a finding that your conduct constituted professional misconduct in violation of N.J.S.A. 45:1-21(e) in that your miscoding of services performed constitutes professional misconduct.

At this juncture, the Board has preliminarily concluded that the above violation is sufficient to warrant the initiation of formal disciplinary proceedings against you. Notwithstanding that decision, however, the Board has determined that it will first offer you an opportunity to settle this matter, and thereby avoid the initiation of disciplinary proceedings, should you consent to:

1. cease and desist from using inappropriate medical codes for services that you have not rendered to the patient.
2. make restitution to complainant, Julie Paczolt, the additional \$125.00 fee billed under code 99215 as a comprehensive exam.

If you are willing to settle this matter on the offered settlement terms, you may do so by signing the acknowledgment at the bottom of this letter, and returning it to the Board office. Upon your signature, this letter will be a matter of public record.

In the event you are unwilling to settle this matter on the offered terms, it will be referred to the Attorney General's office for the initiation of appropriate enforcement action. In such event, you will be afforded an opportunity to defend against the alleged violations. If an evidentiary hearing is deemed warranted the Board will either conduct that hearing at a date and time to be scheduled or refer the matter to the Office of Administrative Law. You are advised, however, that in the event formal charges are filed, the Board may assess civil penalties in an amount greater than that herein offered in settlement should any charges against you be sustained. Additionally, the Board may, if the facts are found to so warrant, enter an order, requiring you to reimburse certain monies and/or requiring you to pay costs incurred by the Board. Should you have any questions concerning this letter or the settlement offer herein, I suggest that you contact Deputy Attorney General Carmen A. Rodriguez, who may be reached at (973) 648-3696.

If you elect to settle this matter presently, you should sign the acknowledgment at the bottom of this letter and return it to the Board within fifteen (15) days following your receipt of this letter. In the event that the Board receives no response from you within fifteen (15) days, the Board's settlement offer will be withdrawn, and the matter will be referred to the Attorney General's Office for the initiation of appropriate enforcement proceedings.

REC'D JUL 16 2005

NEW JERSEY STATE BOARD OF
OPTOMETRISTS

By: Susan Gartland
Susan Gartland
Executive Director

ACKNOWLEDGMENT: I, Arnold Shapiro, O.D., hereby acknowledge that I have read and reviewed the settlement proposal set forth in the above letter. I acknowledge the conduct which has been charged. I am aware that, by signing this acknowledgment, I am waiving any rights I may have to defend myself against any charges of wrongdoing at an administrative hearing. I am also aware that the action taken against me by the Board herein is a matter of public record, and that this letter is a public document. I hereby agree to cease and desist from charging patients for services that I have not provided and to reimburse Julie Paczolt in the amount of \$125.00 (to be paid upon the signing of this acknowledgment).

Arnold Shapiro
Arnold Shapiro, O.D.

Dated:

Cc: Carmen A. Rodriguez, Deputy Attorney General